

**441—92.5(249A,249J) Determining income eligibility.** The department shall determine the income of an applicant's household as of the date of decision. To be eligible, the household's income minus allowable deductions shall not exceed 200 percent of the federal poverty level for the household size.

**92.5(1) Household size.** The household size shall include the applicant and the applicant's dependent or unborn children and spouse living in the same home, except when a dependent child or spouse has elected to receive supplemental security income under Title XVI of the Social Security Act. A person who is absent from the home shall not be included in the household size, unless the absence is temporary.

*a.* An applicant's spouse shall not be considered absent from the home when:

(1) The spouse's absence is due solely to a pattern of employment, including active duty in the uniformed services of the United States.

(2) The spouse is a convicted offender but is permitted to live at home while serving a court-imposed sentence by performing unpaid public work or unpaid community service during the workday.

*b.* The conditions described in 441—paragraph 75.53(4) "b" shall be applied to determine whether a person's absence is temporary.

**92.5(2) Self-declaration of income.** Applicants shall self-declare the household's future unearned and earned income based on their best estimate.

*a.* Applicants who receive income on a regular basis shall declare their household's monthly income as described at 92.5(3) and 92.5(4).

*b.* Applicants who are self-employed, receive their income on an irregular basis, or are not currently employed shall declare their household's anticipated yearly income as described in 92.5(3) and 92.5(4).

**92.5(3) Earned income.** All earned income as defined in this subrule that is received by a person included in the household size shall be counted except for the earnings of a child who is a full-time student as defined in 441—subparagraphs 75.54(1) "b"(1), (2), and (3). Earned income shall include income in the form of a salary, wages, tips, or profit from self-employment.

*a.* For income from salary, wages, or tips, earned income shall mean the total gross amount of income irrespective of the expenses of employment.

*b.* For self-employment income, earned income shall mean the net profit from self-employment, defined as gross income less the costs of producing the income.

*c.* Gross income from providing child care in the applicant's or member's own home shall include the total payments received for the service and any payment received due to the Child Nutrition Amendments of 1978 for the cost of providing meals to children.

(1) In determining the net profit counted as earned income from providing child care services in the applicant's or member's own home, 40 percent of the total gross income received shall be deducted to cover the costs of producing the income, unless the applicant or member requests to have actual expenses in excess of the 40 percent considered.

(2) When the applicant or member verifies expenses in excess of 40 percent of the total gross income received, the net profit counted as earned income shall be determined in the same manner as specified at paragraph 92.5(3) "b."

**92.5(4) Unearned income.** Unearned income of all household members shall be counted unless exempted as income by:

*a.* 441—subrule 75.57(6), paragraph "b," "c," "d," "e," "f," "g," "h," "i," "j," "k," "l," "m," "p," "q," "r," "t," "u," "v," "w," "x," "y," "z," or "aa"; or

*b.* 441—subrule 75.57(7), paragraph "a," "b," "c," "d," "e," "f," "g," "h," "i," "j," "k," "l," "m," or "q."

**92.5(5) Deductions.** The department shall determine a household's countable income by deducting the following from the household's self-declared income:

*a.* Twenty percent of the household's self-declared earned income.

*b.* For women applying under 92.2(1) "b," medical expenses incurred for a person included in the household size that are unpaid and not subject to payment by a third party. Verification of the unpaid

expenses must be provided in order to receive the deduction. The medical expenses that can be deducted are:

- (1) Health insurance premiums, deductibles, or coinsurance charges; and
- (2) Medical and dental expenses.

**92.5(6) *Disregard of changes.*** A person found to be income-eligible upon application or recertification of eligibility shall remain income-eligible for 12 months regardless of any change in income or household size.

**92.5(7) *Unearned nonrecurring lump-sum income.*** All unearned nonrecurring lump-sum income shall be disregarded.

**92.5(8) *Earned lump-sum income.*** Anticipated earned lump-sum income shall be prorated over the period for which the income is received.